

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
MARCH 2008**

Date: May 6, 2008

To: All Civil Service/Exempt Departments

From: State Controller's Office
Cynthia Rounds, Manager
Ann Mitchell, Manager
Personnel/Payroll Operations
(916) 324-6290/322-7978

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the March 13, 2008 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the May 8, 2008 meeting.

We would like to thank those department representatives that participated in the March meeting for their time and effort. There were 45 representatives from 29 departments that participated in this meeting.

Personnel/Payroll Review Committee
March, 2008 Meeting Notes

Ann Mitchell called the meeting to order at 1:30.

Departments Represented:

Air Resources Board, Alcohol Beverage Control, California Highway Patrol, California Horse Racing Board, California State Library, California Student Aid Commission, Child Support Services, Corrections, Developmental Services, Employment Development Department, Environmental Health Hazard Assessment, Financial Institutions, Fish and Game, Food and Agriculture, Forestry and Fire Protection, Health Care Services, Justice, Legislative Counsel Bureau, Mental Health, Peace Officers Standards & Training, Personnel Administration, Pest Regulation, State Controller's Office, State Treasury's Office, Teale Data Center, Transportation, Unemployment Insurance Appeals Board, and Water Resources.

Old Business:

None.

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns

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Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved January 2008 meeting notes.

Guest Speakers:

Bryan Bruno from Department of Personnel Administration gave an update on Delta Dental:

I guess the primary question everyone has is why does everybody have to call Delta and constantly update them? The one thing that you have to remember about Delta is that they get their enrollment data from the State Controller's Office data system. Their data system is limited to what types of data they can actually report. So when it's sent over to Delta, it's in the form of electronic data obtained through a secure download from the SCO website that will always have basic identifying information such as social security number, premium amount, first initial, last name. They (Delta) actually have to convert the premium amount over to a party code. However, their system is set up where if the party code goes to a 3+ code it defaults automatically to family so there should be no denials of coverage for an employee's family member this is simply because if the dental office is on the ball they'll see family code and understand that that's the employee and all other dependents. Again, it's a basic reporting process from the Controller; they do get the enrollment forms from the Controller's office. They do have units, to our knowledge, over at Delta that do try and sort through the forms. Their primary task is looking for divorces, dependency problems or things of that nature. Again it's a slow process with Delta, that's why you have us if you need to call the plan (Delta) to help in updating eligibility. That's why we (DPA) also have an authorized eligibility call-in delegation list. For any department that wants to be on the listing you need to go through your headquarters personnel office first. I know that doesn't necessarily relieve an office's workload but it's there to help try and speed things up. If you need help with eligibility, or have questions, I can be reached by email at bryanbruno@dpa.ca.gov or you can also contact Linda McCarthy lindacmccarthy@dpa.ca.gov. Hopefully when 21st Century project is on-line and active, our understanding is that they will be able to have dependent information on that system that you will be loading with additions or changes to an employee's plan, if there are any changes, files will be transmitted to individual plans.

Question: I don't know if this question is for you or SCO. When is the tape sent over to Delta Dental to update the new enrollments?

Answer: There is no tape; it is a digital download from SCO. I believe it's uploaded twice a month, generally around the first of the month and on or about the 15th of the month.

If you have any difficulties with any of the plans, always please feel free to let me know because I have no problems calling or helping you with an eligibility problem. My telephone number is 445-9841.

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A couple of other things, if you want to be on the delegated authority list please send an email request to pennyjones@dpa.ca.gov. We will need your name, your email address, your department name if you don't usually put it in the email, and your telephone number. Also if you have any changes or deletions please contact us so we can make these corrections. They usually go out quarterly but if you need something out there quickly, I can send it to the plan and have them update it right away.

A word of caution, if you have anything that is out of the ordinary or is unusual please call Linda or myself first. Do not send SSN's within your emails as your emails are not encrypted, to my knowledge. If you leave me a message my voice box is secure as are all the telephones in my unit.

Question: Do you or Linda get the approval requests?

Answer: Linda gets all of them primarily unless they're addressed to me or she has an overflow, I'll take the overflow.

The phone number for Delta's eligibility line is 415-977-7958; you will then get to an automated menu, then select option 2. It will roll you automatically to a person in the eligibility section with Delta. They'll ask who you are and for a phone number for back up if they have to call you back.

I brought something up at the Transaction Supervisor's Forum meeting and I'd like to also share this with all of you. The flex elect reimbursement claim forms went out in February. If you have any problems or situations where someone didn't get anything remember all materials are on line. If you have any difficulty with that please let me know and I'll get the message to Susan Coats or you can email her directly at susancoats@dpa.ca.gov. Also for any other flex elect program you can contact her.

One other reminder, on the Cobra materials, always remember the initial notification needs to also be done on the medical reimbursement accounts.

Sylvia Sadler and Brandi Cunkelman - SCO/21ST Century Project update:

Sylvia delivered an excellent [Power Point Presentation](#) on the project. The majority of the presentation discussed the updated timeline and organizational readiness.

If you haven't taken a look at the 21st Century website, I want to encourage you to do so. It has the history of why we're doing what we're doing and where we're headed. There is a lot of information out there. There is also an email address that you can use to ask any and all questions. You will receive a response with an accurate answer.

Question: When will we need to start assigning people to participate?

Answer: Within the next couple of months you will start to receive communications regarding Department Support Teams. It may start at a higher level, maybe a chief of administration or someone of that sort and then they will have to form their team within the department. In some cases the people that will be users, doing user acceptance

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may be some of the people that make up that team so those details will need to be worked out and it may vary from department to department.

Question: How solid is the timeline of the program?

Answer: It's as solid as it gets right now. Our management is very concerned that when we came back after a year's lack of communication they wanted to come out with as solid of a date as possible. So, I'm confident, right now as it stands, we're headed towards that target date. Also, you'll know in the next couple of months because there will be specific activities that your department will become involved in so that's how you'll know we're getting closer.

Question: Do you know where the training will be taking place?

Answer: The end user training will be at the facilities here (300 Capitol Mall) and there may be some classes in West Sacramento. Maybe in other locations as well.

SCO Update:

Ann Mitchell addressed the following information:

EDD would like to know the way each department handles the following issues. If you would like to respond directly to EDD please email Sandy McNabb at smcnabb@edd.ca.gov.

Question: Have you or do you know of any other agencies that have begun to work or create processes or memo's for the employee's who are about to come to the end of the first four years after APR began? We do not have any in place, I am going to begin working on this within the next couple of months.

Answer: None of the attendees had response to the question.

Question: EDD has paid out many penalty payments and has raised the question how are other departments handling AB2410 separation pay? If payment is not released timely, is a penalty payment automatically distributed or only upon request of the employee or Labor Commissioner?

Answer: Attendees responded that penalties should be a rare occurrence. If your department is taking a different view of when you have failed to pay an employee timely, you may wish to refer to DPA for guidance.

Question: EDD is planning to revise the existing policy regarding HARSHIP ADVANCES. How are other departments defining an "unforeseen event"?

Answer: A car breaking down, or a flood in your home, an illness are examples given of "unforeseen". An overdue utility bill or rent etc are not unforeseen, but may be considered as a hardship. Many departments also limit the number of advances an employee can have in a year.

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Question: EDD is looking to establish consistency in handling the reports of late dock. What is the policy of other departments for employees that are on DOCK on cutoff? Are supervisors advised to dock through the end of the month or is that an expressed option, based on circumstances?

Answer: Most of the responses leaned toward docking employees out to the end of the pay period if they are not at work on cutoff. They seemed to indicate that they looked at each case but in fairness treated most the same, unless the excuse for the cutoff absence was clearly only that day.

Question: The last question from EDD is: The 1st two years the EE is in ARP 5% of their pay is deducted each month and placed into a 401(a) plan with SPP. At the end of the two years deductions stop and the EE starts to earn retirement service credits with PERS. After two more years (total of 4 years) the EE has 3 options for the monies in the ARP account with SPP:

Option 1 - transfer all monies to PERS and receive retirement service credit for the time enrolled in ARP.

Option 2 – the EE would receive the monies in lump sum, which may be subject to additional taxes for early withdrawal.

Option 3 – transfer monies to a Savings Plus 401(k) account.

How do other agencies handle notifying their ARP employees about their options?

Answer: DPA has provided information for the employees in letters and on their website.

Please review 674s before submitting to be sure they are fully complete, showing the correct information in 6A and 6B. Remember to show all of the payment type you are adjusting.

MPC: Keying MPC timely is a very important part of the end of the month activities each human resources office should be doing every single month. Timeliness is very important. We see too many times when the HR staff key it off too early. This causes an adjustment to issue in the new position without the transfer being processed. This will not allow any of the supplemental pays to issue via PIP so they have to send in Exceptions to us. We put the first day to key MPC on the decentralized calendar. That truly is the first day that MPC should be keyed in order for the system to do what it is intended to do.

The other problem with MPC is HR staff don't key it off at all and then when the overtime, Holiday and shift pay doesn't issue they send in 671's and 674's to the Premium Pay Unit stating that it is a PIP exception - tried to key but won't issue. What they really need to do is key MPC then the transfer of funds will take place and the miscellaneous pay transactions that are suspended waiting for regular pay in the new position will release.

Over the years we have undertaken task force projects where we call on all the incoming 674s that would be unnecessary if MPC were keyed off. We don't have the

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staffing to do this right now but we may start returning 674s telling you to not return them until you key off MPC and see if the system takes care of the request.

Exempt from Withholding: We have been getting lots of calls on the exempt EARs that have automatic expiration dates of 1/31/08 that were not corrected to continue that exemption. It is amazing that this happens year after year. The letters went out 12/26/07 to all HR offices with the individual employee letters to remind these employees to submit new EARs if needed. In too many cases this wasn't done and the 2/08 master reverted back to the default which is S00. We do not recommend that the departments process a redeposit, key the new EAR exempt, request a reissue as a solution. In most cases it is better to allow the warrant to stand and submit a 674 to request the refund of withholding if it is necessary for the employee to have the withholding for the one month due to a hardship. In that way all the other withholdings, health, credit union, life insurance etc go on their way timely.

Benefits Update: Please make sure the documents being submitted are legible. This month we put through lots of dental forms with only a visual audit. We are currently working the messages. There are many that rejected the name because key entry could not read what was written there. Key entry is struggling with more workload and less staff just like the rest of us. They do not have time to try to figure out names or SSNs, they will not search elsewhere on the document to find a name, and they are instructed to punch what is there. The forms submitted (especially dental that is keyed straight from the form) must be legible. If it comes back from key entry with a wrong name error, it will be sent back to the department the same way. We do not have the time to correct these either.

Retired Annuitants: If a retired annuitant comes back to work before they have a break in service, their deductions do not drop. Please don't call the benefits unit, instead just send in a 674 to request a refund and cancellation. We are getting too many calls on this.

Again, do not call and ask if we have received a dental document. We will not look for it. If a correct document was in our office by the 10th of the month, we processed it; if it wasn't correct, we returned it. If you are sure it should have processed, send an inquiry. Please write inquiry in red across the top, include a carrier copy and resign the 692. We frequently get inquiries that are not signed, this is frustrating to everyone. We must have an original signature on these documents.

Please do not to give our liaison numbers to employees. It's frustrating for us and the employee when we cannot give out confidential information and we have to direct them back to the personnel shop. Frequently, we are told the agency won't answer their questions. You are the only resource for this type of information for your employees.

Please include the full phone numbers, extension number included, on all documents submitted to PPSD. We frequently try to call agencies and time and time again, no extension number is completed on the document. If we have time we will look up the numbers. If we don't have time we will return the document requesting them to provide their full phone number. This may seem inconsequential but we try to call as

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much as we can to make corrections. You take that option away by not giving us all the information we need to contact you.

Question: Is PPSD supposed to key off the MPC for those units where a warrant was returned for redeposit?

Answer: Yes, if the warrant was returned on the CD666. If you return the warrant on a 674, we will not key off the MPC.

Question: What should we do if the MPC is not updated when the warrant is returned on the CD666?

Answer: You should call Payroll Liaison for two reasons; one is we will immediately update the MPC and two we will be able to work with our staff to be sure they are completing this task.

Question: Who receives the letters from SCO for those employees claiming exempt from taxes?

Answer: All agencies with employees who are claiming exempt in the middle of December will receive a letter for each of their employees with this filing status.

Question: Can you put a global message on the December and/or January earnings statement regarding filing a new EAR if you claim exempt?

Answer: We have elevated the request for this message.

Cindy Rounds:

When filling out a PAR only complete items 606 (time to be paid-new) and 607 (time to be paid-old) when necessary. If you are not sure please call the PAR liaison. If it's completed but shouldn't be it causes confusion and potential problems may occur.

Right now we are only accepting faxes on separation PARs or on PARs that we are working on with you and specifically ask you to fax them. Also, when faxing PARs and they are in two parts please don't cut the EH portion off at the bottom. Having this information readily available saves us time by not having to look up that information.

CalPERS is doing a massive clean up right now. They are identifying expired and incorrect retirement codes that are out there. This is retroactive back to 2004. The CalPERS transactions unit is doing most of the updating to the employee records and they are contacting the personnel offices and SCO. Most of the records they have been updating are the 99 code that was changed to 49 and some of the safety codes.

The Probable Vacant Position report will be run at the end of this month. That is our first report that goes out for fiscal year end. We sent out all the contact letter information in January and we have most of them back and have updated our file. You should be getting the vacant report the first week of April. Also for those of you that have ViewDirect it will be available to you the first of April.

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Exemption stamp – if the position dollar amount exceeds \$6506 the 607 must go to DOF for approval (per budget act Section 31) even if you have an exemption stamp from DOF.

Question: Does the DOF then send the 607 to the SCO?

Answer: Yes, they do. Many times they send stacks of 607's to us but we only process the originals and do not forward the other copies on to you.

Next Meeting:

The next meeting is Thursday, May 8, 2008 from 1:30 to 3:00 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Cynthia Rounds or Ann Mitchell with pertinent information.

Listed below are the PPRC meeting dates for the 2008 calendar year. All meetings are from 1:30 to 3:00 at the above location.

May	8,	2008
July	10,	2008
September	11,	2008
November	13,	2008

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cynthia Rounds at (916) 324-6290 or Ann Mitchell at (916) 323-2539. They can also be reached via email at crounds@sco.ca.gov and anmitchell@sco.ca.gov, respectively.